[Rao Bahadur A. Rengaswami Aiyar.]

shareholders and of the Managing Agents of the factory for a sum of Bh. Rs. 80,000. Provision has been made for the payment in the revised estimates of this year under "Debt Heads". A company under the name of "The Travancore Sugars and Chemicals Ltd." has been floated for the purpose of taking over the Sugar Factory, Thuckalai, and also the Nagercoil Distillery and the Government Tincture Factory, Trivandrum, which are in a position to utilise the bye-products of the first named undertaking. Government have entered into an agreement with Sir William Wright of Messrs. Parry & Co., Ltd., Madras, who will be the Secretaries and Treasurers of the company, agreeing to sell to the Company the Sugar Factory, lands and buildings at Thuckalai, the Government Distillery, lands and buildings at Nagercoil, and the Government Tincture Factory at Trivandrum for the following amounts :—

| | | Bh. Rs. |
|---|---|---|
| Thuckalai Sugar Factory | ... | 3,25,000 |
| Nagercoil Distillery | ... | 1,90,000 |
| Tincture Factory | ... | 7,000 |

Government are to receive 20 per cent. of the net profits of the company subject to a maximum of Bh. Rs 40,000 per annum.

The sum of Rs 1·58 lakhs representing the difference between the amount invested in the Sugar Factory and the sale proceeds referred to above will be written off as Capital loss on investment in the Sugar Factory and provision has been made in the budget estimates for the next year for this under Capital. The sale proceeds of the Nagercoil Distillery and the Government Tincture Factory amounting to Bh. Rs 1·97 lakhs are shown as Capital receipts in the Capital section of the estimates.

55. *Cochin Harbour.*—The revised agreement referred to in para 11 of my budget speech for the last year in regard to the Cochin Harbour Works between the Government of India, this Government and the Cochin Government, has not yet been formally completed. The arrangements have, however, been given effect to with effect from 1st April 1936. Accordingly, a credit of Bh. Rs 16½ lakhs has been taken under receipts on the Cochin Harbour Scheme in the budget estimates for 1113. A sum of Bh. Rs 6·84 lakhs due from the British Government representing the refund by them of the import duty on foreign

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tobacco which had been pooled during the years 1931-32 to 1934-35 for the purpose of the tripartite division under the agreement of 1925, has been refunded by the Government of India during the year. Two instalments amounting to Bh. Rs 1·47 lakhs due from Cochin towards the refund of their portion of the duty on tobacco have been taken credit for in the estimates of the next year.

Provision has been made under Advances in the estimates of next year for the contribution by this Government on account of the fourth stage works of the Cochin Harbour and for the purchase of a new Dredger.

## STATE LIFE INSURANCE—PUBLIC BRANCH.

56. The State Life Insurance—Public Branch, introduced with effect from 1st Meenom 1109, with a view to afford facilities in the matter of insurance to the subjects of the State for making provision for themselves in their old age and also for their families, is working very successfully. 4,040 proposals for over Rs. 37½ lakhs were received during the short period of 3 years and 3 months and policies in respect of 2,810 proposals assuring over Rs 25 lakhs have been issued. For 1113, the receipts are expected to be Rs 1·30 lakhs and the expenditure Rs·20 of a lakh, the expense ratio being nearly 15 per cent. only.

## STATE PROVIDENT FUND.

57. The State Provident Fund Scheme started in 1107 with a view to enable Government servants to make some provision for themselves in their old age, or for their families in case of their premature demise, has continued to work very satisfactorily during the year. The number of subscribers has risen to 9,639 during 1112 and the fund is expected to have a closing balance of Rs 7·26 lakhs at the end of 1112 and Rs 9·76 lakhs at the end of 1113.

In view of the fact that the Government of India have reduced the rate of interest allowed on the Provident Fund Deposits in British India to 4 per cent. and that the rate of interest is only 3½ per cent. for our last loan, and 3 per cent. on Savings Bank Deposits, it is proposed to reduce the rate of interest on State Provident Fund from 5 per cent. to 4 per cent. after giving the usual notice of six months.

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